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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 000589

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SUBJECT: NORWEGIAN AMBASSADOR ACKNOWLEDGES PEACE PROCESS AT RISK

Classified By: Ambassador James F. Moriarty for reasons 1.4(b/d).

Summary

1. (C) Ambassador Moriarty encouraged Norwegian Ambassador Tore Toreng March 19 to support fully Prime Minister Koirala's efforts to prevent Maoist entry into an interim government until Maoist behavior improved. Toreng worried, however, that the widening credibility gap between the Seven-Party Alliance (SPA) and Maoists and further delay of an interim government would derail the peace process. Toreng hoped the Maoists genuinely intended to operate from within a multi-party democracy and supported giving the Maoists more time to transform themselves from violent insurgents to mainstream politicians. The Ambassador argued that Maoist intentions were to seize total state power as demonstrated by continued violence and intimidation. Maoists, not the SPA, were to blame for the current stalemate. Both agreed that Constituent Assembly elections were critical to the peace process, although flawed elections would do more harm than good.

Maoists Could Pursue One of Three Options

2. (C) In a meeting March 19 with Norwegian Ambassador Tore Toreng, Ambassador Moriarty described the three likely outcomes of the existing stalemate between the SPA and the Maoists. First, the Maoists could agree to compromise, improve their conduct, and enter an interim government. Second, if Government of Nepal (GON) will collapsed, the Maoists could bully their way into an interim government in a move to consolidate state power behind a legitimate facade. Third, the Maoists could take advantage of anti-monarchical sentiment and political confusion to seize control illegitimately through "street power." While the first option, Maoist compromise, was preferable, up until now Maoist actions suggested it was not that likely, the Ambassador concluded. On the other hand, if the GON allowed the Maoists into an interim government before a noticeable change in behavior, the peace process would be at risk. Therefore, the international community had to support Prime

Minister Koirala's effort to prevent Maoist entry into an interim government until their behavior changed. Ambassador Toreng acknowledged that if the Maoists attempted to use street power to seize control that would be the effective end of the peace process.

Maoists More Problematic Outside

13. (C) Toreng agreed that the Maoists needed to improve their conduct in order to overcome a widening credibility gap, but opined that keeping them out of government threatened the peace process more than allowing them entry. Toreng detailed his meeting March 17 with Maoist leader Prachanda, who was frustrated that the GON had established the Electoral Delineation Commission without consulting him. "The Maoists regarded this as provocative," he said. In anger, Prachanda had threatened to stay out of an interim government even though, Toreng believed, the Maoists were eager to join.

Maoists Don't Deserve Benefit of The Doubt

14. (C) The Ambassador said that Prachanda's recent claim that thousands of armed Maoist combatants remained outside the cantonment sites was intended to show the people in the villages that UN-monitored arms management was a farce and thereby maintain a high level of fear and intimidation. Toreng averred that Prachanda's comment was a serious mistake primarily intended to show his support for the Maoists. The Ambassador pointed out that Prachanda's statement only showed that Maoists did not intend to abandon violence and continued

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to seek a monopoly on state power. Continuing violations by the Maoists of their commitments almost a year after the toppling of the King argues that we should not continue to give the Maoists the benefit of the doubt, he said. Although Toreng conceded that the Maoists' long-term goal might be total state control, he believed the Maoists understood that they would not win a majority (although they believed they would receive the highest numbers of votes) in an election and would have to work within a coalition government.

Peace Process Above All

15. (C) Toreng emphasized the need to support the peace process, which should be "by Nepalese, for Nepalese." The Ambassador agreed, but argued that it was the Maoists that had abandoned the peace process and it was up to the Maoists to put the process back on track. The Ambassador suggested that a stronger message holding the Maoists accountable for their continued abuses would be helpful. While Norway was not interested in allowing the Maoists to get away with violating their peace commitments, Toreng replied, the decision to allow Maoists to enter an interim government was a Nepali decision. It should not be overly influenced by outsiders. The Maoists continued to seek inclusion in an interim government and to support elections and the formation of a Constituent Assembly; Toreng felt these Maoist objectives needed to be encouraged.

How Long Do We Wait?

16. (C) The Ambassador detailed recent accounts of Maoist abuse in Kathmandu, including the March 18 extortion and assault on a reputable hotel owner. He asked Toreng if he honestly had witnessed any progress in Maoist behavior. Toreng claimed that progress had been made in that Maoists were not killing people. "Peace does not mean the absence of conflict," the Ambassador replied, adding that the Nepali people were living in a state of fear, not peace. Maoist threats and extortion had not abated and, at the same time, the government had not successfully re-imposed law and order.

If the price was handing power to the Maoists, then the process was not worth it. Toreng agreed that the Maoists were not preparing for a free and fair election, but suggested that it would take longer than twelve months for Maoists to transform their psychology from one of violence to one of peace. The Ambassador wondered how long the international community should allow Maoist atrocities to continue unchecked.

Prachanda Losing Control of Maoist Party?

17. (C) Toreng claimed that Prachanda was a solid politician, not someone prone to speaking in ideological terms, and seemed genuinely to understand the need for compromise. Toreng believed that Prachanda was struggling to maintain control of the Communist Party of Nepal - Maoist (CPN-M) and needed to balance his public statements with Maoist actions in the countryside. Toreng argued that keeping the Maoists out of an interim government would only ensure a failed peace process. The Ambassador replied that the recent nationwide creation of the Maoist Youth Communist League (YCL) reflected a central-level decision that demonstrated clearly that Prachanda had a tight grasp on the CPN-M. Worryingly, the center also equally intended to use the YCL as "street thugs." Toreng agreed that YCL activities ran the risk of ruining the peace process and said that he had told Prachanda the YCL would negatively affect elections unless used constructively. Toreng suggested that Prachanda did not have complete control over the CPN-M and needed the legitimacy of joining an interim government to ensure his cadre complied with the peace commitments.

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CA Election -- An Important Step in the Peace Process

18. (C) Toreng claimed that he had seen little evidence of under-age recruits in the Maoist cantonment site he had visited recently. He pointed out that UN registration of Maoist combatants and their arms was critical to demonstrate the Maoist commitment to the peace process and that the CA polls were not an end-game but rather the beginning of another important phase in the peace process. The Ambassador believed that, along the current trajectory, flawed elections seemed inevitable and would also derail the peace process. Toreng agreed that the Maoists needed to convince the world that they were committed to the peace process. "Eventually we would reach a point where we can no longer support the peace process," he said. The most important goal now was holding elections as soon as possible, he said. Toreng said this was why it was so important to include the Maoists now in the interim government so that an election date could be announced. Toreng believed the Maoists intended to join the political mainstream and that it was just a matter of time.

Norway Pleased With Progress on Bhutanese Refugees

19. (SBU) The Ambassador detailed recent progress on Bhutanese refugees, including Prime Minister Koirala's commitment to allow third-country resettlement, the upcoming Core Group (CG) demarche urging Bhutan to repatriate eligible refugees and the possible Nepal-Bhutan meeting on the margins of the SAARC Summit. Noting the importance of coordinated CG action, the Ambassador suggested that a joint CG meeting with the Home and Foreign Ministers be discussed at the next CG meeting March 22. Toreng was pleased to hear of the progress and proposed that Norway might renew its commitment to resettle between 250 and 300 Bhutanese refugees. The Ambassador stressed the need to secure Government of Nepal buy-in in order to avoid a rollback on this issue. Toreng agreed that Bhutanese refugees were not likely high on the Maoist priority list, but said he would discuss this issue directly with the Maoist leaders.

Comment

¶10. (C) While well-intentioned, the Norwegian Ambassador has a view of the Maoists that is both myopic and dangerous. By continuing to give the Maoists the benefit of the doubt and failing to hold them accountable for continued abuses, Norway is encouraging further Maoist violations of their peace commitments. That said, Norway continues to play an important role in supporting the UN arms management process and is eager to remain engaged in Nepal's democratic transition. We also hope Norway will be supportive of the U.S. agenda to promote third-country resettlement of Bhutanese refugees.

MORIARTY